Good Question: Managing the Challenging Association

By Barbara Saxton CMCA, AMS, PCAM

Q – A portfolio manager has seven client community associations and six of them are great; one is very challenging. How does this manager manage the situation without allowing this one community to take all of their time, energy and spirit from the other communities?

A – I promise you, I did not submit this question! But, boy, did it hit home. Of course, first one must define "challenging." Being challenged can be a wonderful opportunity to grow in your profession (Excuse me, I have to get this call.), if it involves structural issues you haven't dealt with before, neighbor disputes that require your skill as a mediator (Wait, wait, I have to answer this.), ok, or financial issues that require astute budgeting and planning, just to mention a few. (Hold on a moment, I have to go on line to research conference calling service.)

If the challenges are adversarial, however, a manager can be at risk for burnout or breakdown, or both. (I'll get right back to this, I have to put together a memorandum.) Well, the morning sure went fast, and I don't seem to have gotten much done.

Certainly one of the biggest "challenges" for a portfolio manager is to treat each of your "clients" as the only one. Numero uno. As far as each of them is concerned, they ARE numero uno, and none of your other associations exist.

The last thing they want to hear is that they are not your only association, which is verrrrrry tempting to say when they are loading you down with a "to-do" list a mile long. That being said, sometimes you just have to step up and—nicely—bring them back to reality.

Back in the day, management companies found it simplest to base their fees on two criteria: (1) the number of units in the community, and (2) whether it was a condominium or a homeowners association. The second criterion dictated the per unit dollar amount (less for homeowner associations; more for condominium associations), times the number of units.

By now, I would hope that management companies have wised up and developed their own formulas for determining a fair and equitable management fee, i.e., one that is based upon the requirements of the community and its board. An association that requires the manager to attend monthly, 3-4 hour board meetings and two 3-4 hour community meetings, as well as inspect the entire property on foot weekly is going to pay a lot more than one that limits board attendance to bimonthly 2-hour meetings, one annual election meeting, and once a month inspections, half of them drive-throughs, regardless of the fact that they are the same size and make-up. So if you are working way harder than the management fee justifies, it's time to do one of two things: Cut back on your hours dedicated to that property, or raise the fee.

Let this be their choice. Some boards will decide that they really can do with fewer inspections, or fewer meetings, or both. Some will realize that their demands on your time really are pretty exhausting, and agree that a higher fee is justified. If you don't have this conversation, you will be increasingly unable to meet their demands because, quite frankly, they aren't compensating you (or your company) properly for your time. They will grow disenchanted and start looking elsewhere. Or you will quit the account. Or quit. Period.

Managers are a funny lot. They are, for the most part, people pleasers. That's why they are in this business. Saying no just isn't easy. But what can you say when one client is draining you dry?

You can start at the board meeting. At the end of the meeting, recap all of the tasks the board has assigned to you. Sometimes, simply reading back the list will give them pause. You can then say something like this: "This is a very extensive list you've given me. While I will get on these right away, some of them will take much more time than others, and it is unlikely that I will be able to complete all of them by the next meeting. Can we prioritize the list? What is most important to you?"

An e-mail to the board within the next couple of days, outlining what you have accomplished so far, or what you have placed "in the works," will give them assurance that you are on top of things, and maybe they won't need to make those phone calls to "check up."

If you are plagued by board members calling to get the status of their various pet projects, set up a specific day of the week when they can expect an e-mail from you with updates as to where the projects stand. Send this to everyone on the board as a group distribution.

If you find yourself driving to the property several times a week to meet vendors, homeowners, or board members, assign a particular day for that association, in morning or afternoon blocks, and be sure everyone knows your schedule. In fact, that's a good idea for all of your associations, if you are a portfolio manager. If they know you are at the property every Tuesday morning, they will eventually catch on that this is the day and timeframe for them to meet with you.

One last word about the adversarial types of challenges. If you are in the business for any length of time, you are going to encounter people who simply aren't nice. Hopefully, they will be few and far between. If they are homeowners, you should let your board president know about any unpleasantness, in the most professional manner you can muster.

There is never, ever a circumstance that warrants a portfolio manager to take any kind of abuse, verbal or otherwise. Most board members are outraged when they hear of their manager being subjected to this kind of treatment, and will take steps to see that it is stopped. If the abuse is coming from a board member, you must make sure the board president is aware of it, and also whoever you report to within your company. And…oh, sorry, I have to go…. (Yessir, I am almost finished with that memorandum…..I kind of got sidetracked.)

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